

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

June 13, 2011

Jay Gatten Desert Mountain Gold, Inc. 447 North 300 West, Suite 3 Kaysville, Utah 84037

Subject: Final Approval of Permit Transfer, Desert Mountain Gold Inc., Coyote Knoll #1, 2 & 3
Mine, S/023/0086, Juab County, Utah

Dear Mr. Gatten:

On April 11, 2011, the Division Director approved the Replacement Surety and Reclamation Contract for the Transfer of Notice of Intention (NOI) for the Coyote Knoll # 1, 2 & 3 Mine from McFarland & Hullinger to Desert Mountain Gold, Inc. You are now solely responsible to conduct mining and reclamation operations as outlined in the approved Notice of Intention. McFarland & Hullinger is hereby released from any further reclamation liability under this permit.

Thank you for patience in completing this permit transfer. Please refer to file S/023/0086 in any correspondence regarding this operation. If you have questions regarding this letter, please contact me at 801-538-5261 or Wayne Western at 801-538-5263.

Sincerely,

Paul Baker

Minerals Program Manager

PBB:whw:eb

Enclosure: Reclamation Contract, Approved NOI cc: Sid Hullinger, McFarland and Hullinger

Jerry Mansfield, BLM

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